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Canada

Livestock and Products

Proposed Check-Off for Domestic and Imported Cattle and Beef 2001

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Report Highlights: A national check-off for domestic and imported cattle and beef is one step closer following a recommendation by the National Farm Products Council to the Minister of Agriculture to establish a new research, market development and promotion agency for beef cattle. The proposed levy rates for imports are essentially the same as those used in the U.S. cattle and beef checkoff and are expected to be in place by the last half of 2001.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1], CA

Canada's National Farm Products Council (NFPC), the federal overseer of Canada's national orderly marketing agencies, has recommended to the Minister of Agriculture and Agri-Food the establishment of a Canadian Beef Cattle Research Market Development and Promotion Agency. A year ago, the Canadian Cattlemen's Association formally applied for the establishment of a national Research and Promotion Agency with the authority to apply a checkoff on domestic and imported cattle and beef (see CA0024). The proposed levy rates for imports are essentially the same as those used in the U.S. cattle and beef checkoff. Canada's Agriculture Minister has directed the NFPC to prepare the necessary procedures and documentation needed to establish this agency. Most provinces already have a one dollar check-off in place. Collecting a check-off on imported beef and cattle is expected to add about \$800,000 per year (the U.S. share is roughly estimated at about 60%) to the Canadian beef and cattle industry's promotion and research efforts. Canadians exporting cattle and beef into the United States have paid a U.S. check-off for some time. The Canadian Cattlemen's Association is hopeful that a national check-off on domestic and imported cattle and beef will be implemented by the last half of 2001. U.S. individuals, companies, and organizations involved in exporting live cattle and beef to Canada should be aware that Canada is close to adopting a check-off that will apply to their exports to Canada.

Background

Enabling legislation to establish national checkoffs was passed in March 1993 by Canada's Parliament (see CA3025). No national agricultural organization has yet developed a national checkoff scheme. The National Farm Products Council (1972) is a federal body which oversees Canada's national supply management agencies in the poultry industry. Its authority was extended in 1995, under the Agricultural Products Marketing Act to act in an advisory capacity to the Minister of Agriculture in other national farm product marketing issues.

The Canadian Cattlemen's Association (CCA), the national association representing Canadian beef cattle producers, led the development of the proposal and has worked for many years toward a workable proposal among provincial cattle associations that currently apply provincial promotional checkoffs. The development of national checkoff scheme for cattle and beef received additional impetus following the recent R-Calf anti-dumping petition against Canadian cattle into the U.S. market. At the 1999 CCA annual meeting, delegates expressed concern over the high costs of regularly defending their industry against U.S. trade actions while contributing over \$1million annually to the U.S. cattle and beef checkoff program via U.S. promotional levies on Canadian cattle and beef exports.

At public hearings held throughout Canada in 2000, both New Zealand and Australia made representation in opposition to the establishment of a check-off on beef imports. Each has a check-off on domestic product, but not on imports. The NFPC received advice from the Department of Foreign Affairs and International Trade and from Agriculture and Agri-Food Canada that the collection of levies on imported cattle and beef would be consistent with Canada's rights and obligations under international trade agreements.

A copy of the National Farm Products Council's report on the merits of establishing a Canadian Research, Market Development and Promotion Agency is available on the NFPC's web page at:

<http://nfpc-cnpa.gc.ca/english/mainnfpc.html>

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